

RESOLUTION No. _____

RESOLUTION OF THE MAYOR AND CITY COUNCIL
OF GAITHERSBURG GRANTING APPROVAL OF
CONCEPT PLAN SP-7495-2017,
KNOWN AS HYATT HOUSE, FOR
APPROXIMATELY 5.46 ACRES OF PROPERTY
ZONED CORRIDOR DEVELOPMENT (CD)

SP-7495-2017

OPINION

A concept plan application, SP-7495-2017, zoned Corridor Development (CD), has come before the Mayor and City Council for approval. The City Council's authority in this matter is pursuant to §24-160G.6(a) of the City of Gaithersburg Zoning Ordinance (Chapter 24 of the City Code), which authorizes the Council and Planning Commission to conduct public hearings on a concept plan application following appropriate notification procedures and to take action on the application following receipt of a recommendation by the City Planning Commission.

The subject case involves approximately 5.46 acres of land and concerns the development of the subject property ("Property") known as part of Parcel D, Gateway Commons. The subject property is located at 200 Skidmore Boulevard, near the intersection of South Frederick Avenue (MD 355) and Interstate 370, in the City of Gaithersburg. The concept plan application was submitted to the City Planning and Code Administration on January 19, 2017 and was designated as SP-7495-2017.

OPERATIVE FACTS

A. Background

The applicant has requested to change the zoning of 5.46 acres of land, currently known as part of Parcel D, Gateway Commons, in the City of Gaithersburg, from the existing C-2 (General Commercial) Zone to the CD (Corridor Development) Zone, in accordance with § 24-196 (Map amendments) and § 24-160G.6 (Procedure for application and approval) of the City Code. Applications to be placed in the CD Zone require the concurrent submission of either a concept plan or schematic development plan. The applicant has elected to submit a concept plan application.

B. Current Application:

On January 19, 2017, Stacy Silber of Lerch, Early and Brewer, Chtd., representing the applicant, MRK Partners, Inc., submitted an application for concept plan, SP-7495-2017, concurrently with an application for a zoning map amendment, Z-7496-2017. The concept plan application proposes to adaptively re-use and convert

the existing Hyatt House extended-stay hotel to senior rental apartments that are restricted to persons 62 years of age and older. As part of the conversion, the applicant is proposing minor changes to the buildings and site, including the addition of elevators and connecting bridges, façade changes to create a more residential appearance, landscaping improvements, and additional trash receptacle areas.

The Mayor and City Council and the Planning Commission conducted a consolidated joint public hearing on the two applications (zoning map amendment and concept plan) on February 21, 2017. The development team of Ms. Stacy Silber, counsel for the applicant; MRK Partners, Inc., and the applicant presented an overview of the concept plan application. During the joint public hearing, the Mayor and City Council, Planning Commission, and public asked several questions regarding the proposed plan, including amenities, accessibility, security, management, parking, trash collection locations, building code applicability, overcrowding, and enforcement of the age restriction. The applicant responded to the questions during the hearing and subsequently submitted a separate supplementary statement responding to the questions raised during the joint public hearing.

The Planning Commission record on SP-7495-2017 closed at five (5) PM, March 17, 2017. The Planning Commission reviewed the SP-7495-2017 application at its regular meeting on April 5, 2017 and forwarded their recommendation to the Mayor and City Council for SP-7495-2017. Based upon their review of the evidence, the Planning Commission found the SP-7495-2017 application to be in conformance with the Corridor Development (CD) Zone standards and requirements. Consequently, the Planning Commission recommended approval of the SP-7495-2017 application with the following conditions:

1. As part of any final site plan application, applicant must submit a comprehensive sign package;
2. As part of any final site plan application, applicant should explore opportunities to create a direct pedestrian connection from the site's parking lot to Frederick Avenue;
3. Prior to the issuance of permits, the Applicant must record an amendment to Annexation Agreement X-152; and
4. Prior to the release of site development bonds, the applicant must record a subdivision plat reflecting the current boundaries of the property.

C. Evaluation and Findings

On May 1, 2017 the Mayor and City Council conducted a consolidated policy discussion on applications SP-7495-2017 and Z-7496-2017. The City Council, upon careful review of the evidence of record, agrees with the findings, conclusions and the recommendation of approval for concept plan SP-7495-2017 by the City Planning Commission and City staff. The City Council finds those recommendations to be well

reasoned and adopts and incorporates their findings as part of this action. The City Council further agrees with the Planning Commission that the procedures governing the application for the CD Zone and approvals necessary to seek building permits are subject to a multi-step process and that this is only one of several steps of the process, that subsequently includes Final Site Plan reviews and approvals.

In reviewing the subject application for the approval of concept site plan SP-7495-2017, the City Council finds the application and development proposal meets or accomplishes the purposes, objectives, and minimum standards and requirements of the CD Zone that are set forth in Chapter 24 (Zoning) Article III, Division 19 of the City Code.

The City Council finds that the application meets the submission requirements and the standards and requirements for approval of the subject concept plan, as set forth in §24-160G.6(a) because:

- 1) The applicant filed, together with the prescribed application fee, an application for approval of a concept plan;
- 2) The concept plan is scaled at one inch equals thirty (30) feet and contains: a) boundary survey; b) the uses of all buildings and structures within the concept site plan area, as well as existing uses of adjacent property external to the CD zoned area and proposed uses within adjoining zoned areas; c) the location, height, approximate dimensions and conceptual elevations of all buildings and structures, and the setbacks and densities and/or square footage thereof; d) the location of points of access to the site and all public and private roads, pedestrian and bike paths; e) the location and setbacks of parking areas; f) existing topography, including, contour intervals of not more than two (2) feet; an approved forest stand delineation and proposed forest conservation plan, if applicable; one-hundred-year floodplains; other natural features; utility easements; g) all landscaped areas, proposed conceptual screen planting, open spaces, plazas, malls, courts, community identification signage, recreation and amenity areas; i) demonstration of general compliance with any Master Plan recommendations for the property, including any special conditions or requirements related to the property set forth in the Master Plan;
- 3) The City Council and City Planning Commission have conducted a consolidated joint public hearing on the application subject to the notification procedures in section 24-196 of this Code.
- 4) The Planning Commission delivered its recommendation to the City Council on April 7, 2017, within thirty (30) days of the closing of the Commission's hearing record on March 17, 2017.
- 5) The Council is taking action on the application within ninety (90) days after the closing of the Council's hearing record on April 10, 2017;

Furthermore, the City Council finds from the applicant's testimony and the evidence of record that the application for concept plan approval, SP-7495-2017 fulfills the findings required under §24-160G.7(b):

(1) The plan is substantially in accord with architectural, signage, lighting, streetscape, parking and other regulations, requirements and guidelines adopted by the city council for the applicable corridor area.

While the City Council has not adopted design guidelines for the Frederick Avenue Corridor, the applicant has included conceptual architectural elevations that intend to improve the aesthetic qualities of the building and create a more residential appearance. Further, the applicant has committed to improving the landscaping and to work with the adjacent communities on site elements such as trash enclosure locations.

(2) The plan meets or accomplishes the purposes, objectives and minimum standards and requirements of the zone.

Application SP-7495-2017 is "consistent with the goals and provisions of the respective master plans," namely the adopted 2001 Frederick Avenue Corridor Land Use Plan, which encourages "owners of properties not comprehensively rezoned . . . to apply for rezoning to the CD Zone in order to meet the goals and objectives of the Frederick Avenue Corridor Master Plan."

The application proposes to re-use an underperforming hotel as a senior rental apartment complex, enhancing the economic vitality of the Corridor. The visual character and quality of the Corridor will be enhanced through the proposed improvements to the building façades, site, and landscaping. The proposed reuse of the existing buildings currently meets all of the standards except the height requirements of § 24-160G.4(a), which limits building height to three stories and 35 feet in the Southern Residential District, in which this property is located. As part of this application, the applicant is requesting a height waiver under § 24-160G.5(a)(1) because the existing buildings are 3 stories and 45 feet in height. The height waiver request is included in a separate resolution.

(3) The plan is in accord with the area master plan and any accompanying special condition or requirements contained in said master plan for the area under consideration.

The property that is the subject of application SP-7495-2017 is identified in the adopted 2001 Frederick Avenue Corridor Land Use Plan, and while the Plan includes neither recommendations nor special conditions for this property, the Plan encourages "owners of properties not comprehensively rezoned . . . to apply for rezoning to the CD Zone in order to meet the goals and objectives of the Frederick Avenue Corridor Master Plan."

The adopted 2009 Municipal Growth Element states that "The overall vision for future City growth will retain the goal of providing for diversity in demographics, economics, and housing types." The adopted 2009 Process and Overview Element includes as the City Commitment to State Planning Vision 7: "The City will implement programs that

improve current housing stock and pursue development and redevelopment opportunities that provide an appropriate mix of housing types in inclusive communities. The City shall provide for the housing needs of all its citizens.”

(4) The plan will be internally and externally compatible and harmonious with existing and planned land uses in the CD zoned area and adjacent areas.

Application SP-7495-2017 is compatible and harmonious with the surrounding existing and planned land uses, due to the minor proposed building and site changes that are part of this reuse request. The property is located adjacent to the single family residential community of Gateway Commons, the City’s Summerfield Park, the E-Z Storage self-storage building, and the ramps to Interstate 370.

Two Ride-On bus routes, 55 and 59, have stops within walking distance along Frederick Avenue, at South Westland Drive, Oneill Drive, and under the bridge at I-370. Within one-half mile (10 minute-walk) of the site are the City’s Casey Community Center, the Walnut Hill Shopping Center, a church, a medical office building, an additional single family homes. The Shady Grove Metro station is a five minute drive from the property and can be reached by Ride-On bus.

The surrounding uses are complementary to a senior housing development and fulfill many of the needs and lifestyle components of the target demographic, all within walking distance.

(5) The existing or planned public facilities are adequate to service the proposed development contained in the plan.

Application SP-7495-2017 satisfies the City’s Adequate Public Facilities Ordinance (APFO) for public schools, fire response time, water and sewer service, and traffic impacts. Four fire stations, Stations 3, 8, 28, and 32, provide a 10-minute response time for this property. The property is currently served by public water and sewer and has a Water Category of 1 and Sewer Category of 1 in the County’s Master Plan. Age-restricted housing is exempt from the public schools test of the APFO, under § 24-246. The applicant has provided a traffic statement indicating that trips for the senior rental apartments will be less than the current number of trips generated by the hotel, and City staff has concurred, thus an additional Traffic Impact Analysis is not required.

(6) The development staging or phasing program if any, is adequate in relation to the provision of public facilities and private amenities to service the proposed development.

Application SP-7495-2017 has adequate public facilities and private amenities to service the proposed re-use from hotel to senior rental apartments. Specifically, the property includes an outdoor pool, patio, and barbeque, as well as an indoor fitness center and conference rooms. The applicant has testified that while the existing amenities will remain in place, additional amenities will be considered in response to tenant desires.

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(7) That the plan, if approved, would be in the public interest.

Application SP-7495-2017 is in the public interest because it meets a growing demand for age-restricted housing opportunities, does not further burden public schools with additional students, decreases traffic from the property, sets aside at least 15% of the units as affordable housing, and proposes improvements to the buildings and site. The proportion of the City's population that is 62 years old and older has been growing steadily since 1980, more than doubling by 2010 and continuing to increase from 2010 to 2015, creating a strong demand for additional housing that is available for seniors.

The adopted Municipal Growth Element states that "The overall vision for future City growth will retain the goal of providing for diversity in demographics, economics, and housing types." The adopted Process and Overview Element includes as the City Commitment to State Planning Vision 7: "The City will implement programs that improve current housing stock and pursue development and redevelopment opportunities that provide an appropriate mix of housing types in inclusive communities. The City shall provide for the housing needs of all its citizens."

Five of the City's Adopted FY 2017 Strategic Plan Objectives are met by this application:

- "promote housing stability and inclusiveness;"
- "ensure that the current and future housing stock allows residents to remain in the City as their financial, employment and familial situations change;"
- "provide opportunities to redevelop or improve underutilized properties,"
- "support initiatives that improve the rental housing stock in the City," and
- "increase the stock of affordable housing units throughout the City."

(8) The existing buildings with historic significance are considered for preservation and retention pursuant to the city's historic preservation ordinance.

This finding is not applicable to application SP-7495-2017, since the buildings were constructed in 1998 and currently are neither designated historic nor part of a designated historic district, as indicated on the Official City Zoning Map.

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In summary, the City Council finds SP-7495-2017, proposing to re-use an existing extended-stay hotel as senior rental apartments to be in accordance with §§ 24-160G.6(a) and 24-160G.7(b); is in the public interest; and should be approved due to the presence of substantial evidence in the record to indicate that the subject Concept Plan has accomplished the purposes of the Corridor Development (CD) Zone, as well as generally accepted City planning and land use policies, subject to the conditions stated in this Resolution

CONCEPT PLAN SP-7495-2017

RESOLUTION

NOW, THEREFORE BE IT ORDAINED by the City Council of Gaithersburg, that SP-7495-2017, being an application filed by MRK Partners, Inc., requesting approval of Concept Plan is hereby approved subject to the following conditions required of the applicant:

1. As part of any final site plan application, applicant must submit a comprehensive sign package;
2. As part of any final site plan application, applicant should explore opportunities to create a direct pedestrian connection from the site's parking lot to Frederick Avenue;
3. Prior to the issuance of permits, the Applicant must record an amendment to Annexation Agreement X-152; and
4. Prior to the release of site development bonds, the applicant must record a subdivision plat reflecting the current boundaries of the property.

ADOPTED by the City Council this 1st day of May, 2017.

JUD ASHMAN, MAYOR and
President of the Council

THIS IS TO CERTIFY that the foregoing
Resolution was adopted by the City Council
in a public meeting assembled on the 1st day of May, 2017.

Tony Tomasello, City Manager